



STATE OF TENNESSEE  
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DEPARTMENT OF AUDIT  
DIVISION OF MUNICIPAL AUDIT

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Dennis F. Dycus, CPA, CFE, Director  
Division of Municipal Audit

June 5, 2001

Frank Adams, Executive Director  
First Tennessee Human Resource Agency  
Professional Office Building, Suite 101  
112 East Myrtle Avenue  
Johnson City, TN 37601-4644

Dear Mr. Adams:

We have completed our special purpose examination of certain **financial** records of the Alternative Community Corrections Program (ACCP). The examination focused on the period April 1, 2000, through April 30, 2001. However, this scope was expanded when necessary. In addition, the examination focused primarily on the areas of donations and employee travel.

Our examination detected the following weaknesses related to employee travel:

1. ACCP utilizes a contract fuel vendor. Employees obtain fuel at designated fueling sites using a two credit card type card system. One card is an operator card assigned to a specific employee. The other card is a vehicle card, assigned to a specific vehicle. A record is created for every fueling, identifying the operator, vehicle, amount of fuel, and fueling location. The contractor accumulates this fueling information and monthly transmits the data, along with the bill, to the agency. However, our examination of the fueling information revealed that management was apparently not fully utilizing the provided data.

Our review of the ACCP vehicle fueling records revealed that, during a 30-day period, one ACCP vehicle failed to achieve a fuel efficiency over 6.6 miles per gallon. That mileage was roughly one half the usual mileage rate of that vehicle. Since fluctuations in vehicle mileage rate could indicate waste or abuse, management should closely monitor this data. Management should investigate any significant changes in vehicle mileage rate.

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2. In addition, a reconciliation of fueling records and employee travel expense claims indicated that, according to these records, one employee was simultaneously claiming reimbursement for mileage for a personal vehicle and obtaining fuel through the agency's fuel vendor. Officials of ACCP claimed that there was sharing of operator cards with other employees, which would account for the discrepancy noted above. However, it is not possible to verify this claim using agency and vendor records. Sharing of operator fuel cards defeats the accountability of the system and therefore should be prohibited by management.
3. Finally, our review indicated that travel claims were apparently not adequately reviewed prior to approval in all instances. We noted one instance in which an employee failed to show up for a guaranteed hotel room, and ACCP was charged for that night's stay. However, the employee claimed, and was paid for, a meal per diem for that day. In addition, in at least two instances, agency personnel could not locate hotel invoices that confirmed that claimed travel had actually occurred. Management or its designee should examine all claims for travel expense reimbursement prior to approval. All relevant invoices and supporting documentation should be attached to verify all assertions made on the travel claim.

If you have any concerning the above matter, please contact me.

Sincerely,

Dennis F. Dycus, CPA, CFE, Director  
Division of Municipal Audit

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